

[Go to Table of Contents](#)

CALIFORNIA ECONOMIC INDICATORS

May/June 1998



DEPARTMENT OF FINANCE

CONTENTS

Section	Page
<u>INTRODUCTION</u>	<u>2</u>
<u>REVIEW OF ECONOMIC DEVELOPMENTS</u>	<u>3</u>
<u>ECONOMIC FORECAST UPDATE</u>	<u>6</u>
Employment	13
Hours and Earnings in Manufacturing	13
Production	13
Trade	13
Consumer Price Index	14
Construction	14
Nonresidential Vacancy Rates	14
Median Home Price	15
<u>LEADING INDICATORS</u>	<u>15</u>
<u>COINCIDENT INDICATORS</u>	<u>16</u>
<u>OTHER INDICATORS</u>	<u>16</u>
<u>ECONOMIC INDICATOR CHARTS</u>	<u>17</u>
<u>CHRONOLOGY</u>	<u>23</u>
<u>REFERENCE DATES OF U.S. BUSINESS CYCLES</u>	<u>32</u>

INTRODUCTION

California Economic Indicators is a bimonthly summary of economic trends and data relating to the State of California.

Developments in California over the most recent months are reviewed in a brief text, and then summarized in current data tables which show changes over the previous year. Charts containing monthly and quarterly series from 1981 are included to facilitate the review of current developments, and to appraise the significance of the developments on the State's economy. Much of the data in the report has been seasonally adjusted by the source agency or by the Department of Finance.

Reference dates for U.S. business cycles, as determined by the National Bureau of Economic Research, are also shown. Finally, sources are cited on the inside back cover to assist readers in obtaining any additional information on the statistical series published.

The Department of Finance welcomes suggestions on additions or changes which would make the Indicators a more useful publication. Correspondence should be addressed to the State of California, Department of Finance, Economic Research Unit, 8th Floor, 915 L Street, Sacramento, CA 95814.

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REVIEW OF RECENT ECONOMIC DEVELOPMENTS

California's economy continued to expand through the first four months of 1998. New jobs were added in nearly every industrial sector. The number of jobless and the unemployment rate are both lower than they were in December 1997.

However, a tight labor market and modest residential construction growth in some areas of the state are causing somewhat higher inflation rates.

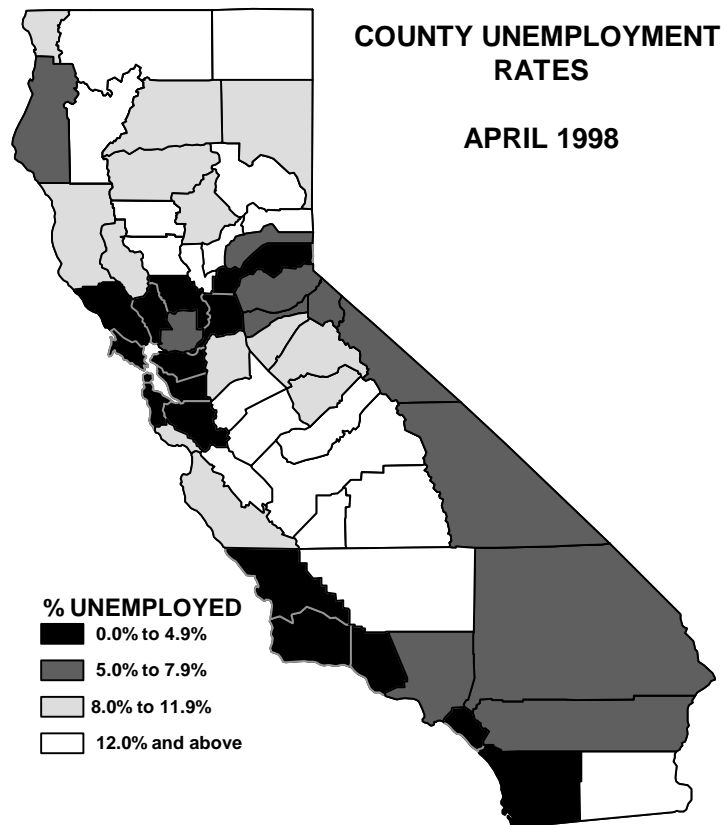
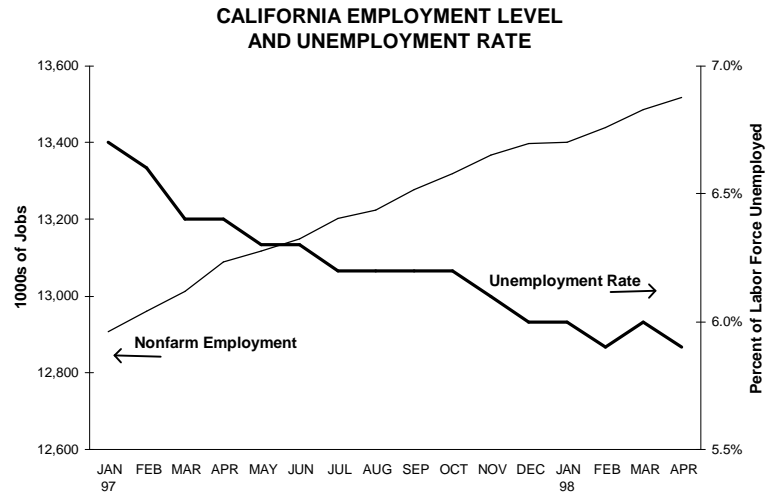
EMPLOYMENT

Nonfarm payroll employment, based on a large survey of California businesses, increased by 32,000 in April. The largest growth was in services, with a gain of 19,800 jobs. Following the service sector, the financial sector added 4,200 jobs and government employment rose 4,100.

During the first four months of 1998, the number of nonfarm jobs grew by 119,300. On a year-to-date basis, services has grown by 58,700 followed by construction with 14,000 new jobs.

California's unemployment rate, which is based on the much smaller household survey, dropped 0.1 percent to 5.9 percent in April from March. This is also 0.5 percentage point lower than the 6.4-percent rate in April 1997. The unemployment rate has been holding steady in the 5.9-to-6.0 percent range since December, 1997. Since the end of 1997, the ranks of the unemployed declined by 19,000, while the total labor force has grown by 81,400 persons.

Regional unemployment rates vary widely. The entire San Francisco Bay area is experiencing significantly lower unemployment than the rest of the state. The unemployment rates of all of the counties in the San Francisco Bay region are below the state's overall rate and all but one (Solano) are at least two full percentage points below the state's rate. Marin and San Mateo counties report the lowest



rates in the state (2.3 percent). In the south, only San Diego and Orange counties have comparable rates. The unemployment rates of Central Valley and the northern counties are above the state's average rate.

INCOME

California achieved a remarkable 7.3-percent growth in personal income in 1997. California income exceeded \$867 billion in 1997 compared to \$808 billion in 1996. Income growth was led by the service sector which increased earnings by \$16.9 billion or 9.1 percent over 1997. The 9.7-percent growth in California manufacturing earnings is exceptional, since growth in this sector nationally has been essentially static. Income in the trade, construction and finance sectors also posted significant gains.

CONSTRUCTION ACTIVITY

California construction activity during the first quarter of 1998 rose 13 percent above the first quarter of 1997. This growth may have been even greater were it not for the heavy winter rains.

Residential housing permits issued during the first quarter of 1998 increased over 9 percent from the same period in 1997. March 1998 permit issuances equal an annual construction rate of 118,700 units. Within this category though, 2 to 4 unit multi-family construction actually decreased 13.7 percent from last year's rate, but was offset by increases in single family and 5-or-more unit multi-family structures.

Nonresidential building valuation during the first quarter of 1998 was 12.9 percent greater than during the same period in 1997. The largest gains were in industrial, amusement and recreation, stores, hotel/motel, and parking garage construction. In contrast, office building construction was nearly 15 percent less than the very strong 1997 pace.

Regional Construction Patterns reveal that building activity is not expanding evenly across the state. An important factor is the heavy rainfall which made this California's wettest winter in this century. During January to March 1998, only 28 counties reported increased residential construction over the same period in 1997. Residential construction in the Southern California region increased 12.5 percent (1,247 units) while construction in the San Francisco Bay region rose only 5.9 percent (209 units) from its 1997 level. The Sacramento and San Joaquin Valley areas rose 13.1 and 10.9 percent respectively (314 and 296 units). Residential construction along the Central Coast fell 16.2 percent. Nonresidential construction is up in all regions with the exception of the Sacramento Valley. Both the San Francisco and Los Angeles regions posted significant increases over 1997; 10.4 and 18.7 percent respectively.

CALIFORNIA PERSONAL INCOME

1996 and 1997

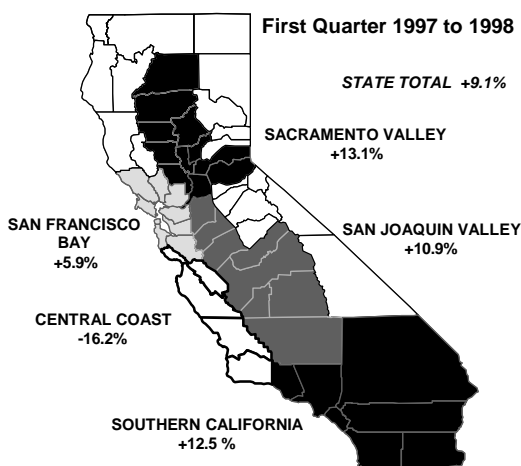
(\$ Billions)

	1996	1997	Percent Change
TOTAL PERSONAL INCOME	808.0	867.2	7.3%
Wages and Salaries	440.7	476.6	8.1%
Other Labor Income	48.2	52.4	8.8%
Proprietor's Income	81.4	89.3	9.7%
Farm	3.5	4.1	16.0%
Nonfarm	77.9	85.3	9.4%
Dividends	34.2	38.5	12.7%
Interest	89.3	96.4	8.0%
Rent	28.1	28.9	3.0%
Transfer Payments	125.6	128.1	1.9%
Less: Contrib. for Soc. Ins.	38.8	3.5	-91.1%
Plus: Residence adjustment	(0.7)	(0.8)	11.7%
Total Earnings *	570.3	618.4	8.4%
Farm	7.4	8.3	11.5%
Mining	2.1	2.2	8.3%
Construction	28.0	32.3	15.1%
Manufacturing	88.8	97.5	9.7%
TCU	35.2	38.5	9.3%
Trade	86.8	92.9	7.1%
F.I.R.E.	45.6	50.6	11.1%
Services	185.4	202.3	9.1%
Government	84.9	88.0	3.6%
Federal Civilian	13.0	13.2	1.8%
Military	6.2	5.2	-15.7%
State and Local	65.8	69.6	5.7%
Other Industries	6.1	5.8	-3.9%

* Earnings are the sum of wages & salaries, other labor income (employee benefits) and proprietors' income.

Existing home sales during April 1998 increased over 15 percent from last April's rate. California's median home price also rose 9.9 percent to \$199,160 over the year. The inventory of unsold homes fell to 5 months in April; down from 7 months in April 1997.

RESIDENTIAL CONSTRUCTION GROWTH BY MAJOR REGION



SOURCE: CONSTRUCTION INDUSTRY RESEARCH BOARD

CONSUMER PRICES

As of April 1998, the prices of goods and services in California rose at a modest annual rate of 1.7 percent. This is slightly higher than the 1.4-percent rise in the Consumer Price Index for the U.S. as a whole. Prices increased in all categories of consumer goods and services with the exception of fuel, utilities and transportation. The greatest increases were in housing-related costs. Following these were increases in apparel, miscellaneous goods, and then food.

The most notable characteristic of the latest consumer price figures for California is the dramatically higher inflation rate evident in the San Francisco Bay area over those in the Los Angeles region. The main difference is in the inflation rates for housing-rents and homeowner costs in San Francisco rose at a pace 2 to 3 times greater than in Los Angeles.

California's economic growth is continuing at a brisk pace. One emerging problem, though, is the imbalance between employment growth and housing construction in certain regions, including the San Francisco Bay and San Diego areas. The San Francisco Bay area, which includes the Silicon Valley, has been a major source of economic growth for California. However, the combination of strong job growth, low unemployment rates and slow growth in residential construction is generating upward pressure, especially on housing costs. These rising costs ultimately could limit the region's economic growth prospects.

CHANGE IN CALIFORNIA CONSUMER PRICES
Percent Change in April Consumer Price Index 1997 to 1998
(Urban, All Items)

	<u>Percent Change</u>		<u>Difference</u>
	<u>Los Angeles</u>	<u>San Francisco</u>	
All Items	1.2	3.1	1.9
Food	2.0	3.7	1.7
Food Away from Home	2.0	4.7	2.7
Rent of Primary Residence	2.5	8.1	5.6
Homeowners' Equivalent Rent	2.9	7.1	4.2
Fuel & Utilities	-1.8	-3.0	-1.3
Apparel	4.2	0.2	-4.0
Transportation	-4.0	-2.7	1.3
Medical Care	1.2	3.1	1.9
Other Goods & Servs.	2.1	4.6	2.5

ECONOMIC FORECAST UPDATE

The following forecast is from the May Revision of the Governor's 1998-99 Budget and is based on information available as of April 17, 1998.

UNITED STATES

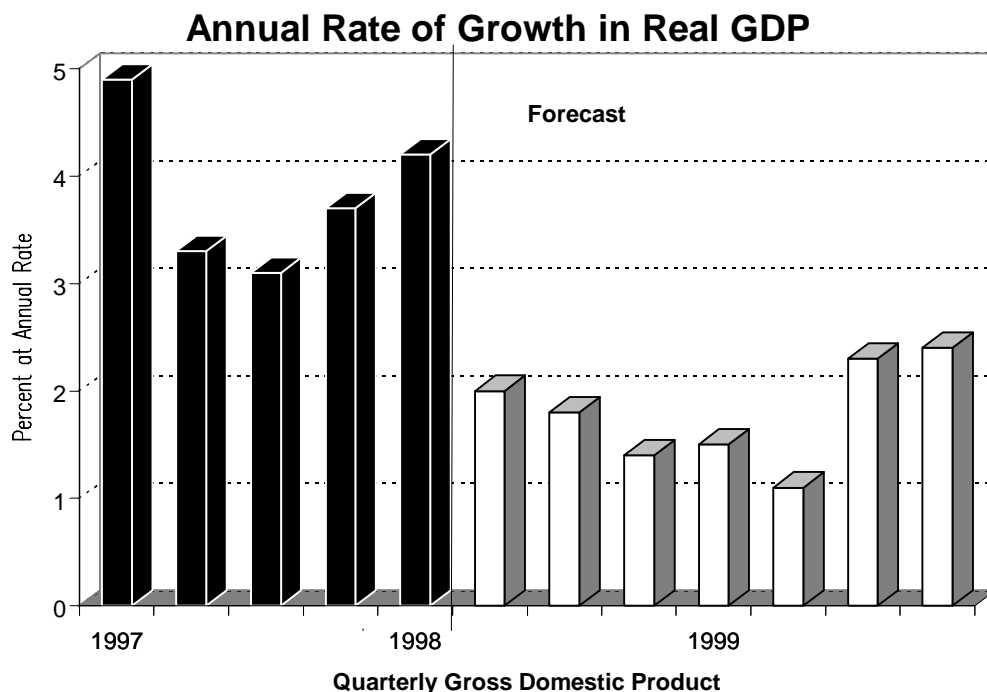
The U.S. economy continues to grow at a rapid pace, with low unemployment and declining inflation. For the sixth quarter in a row, inflation-adjusted (or "real") gross domestic product (GDP) growth in the first three months of 1998 registered better than a three percent annual rate. Unemployment averaged a 24-year low of 4.6 percent of the labor force— a figure that is a full percentage point below the generally accepted estimate of the "full employment" or "non-inflationary" rate of unemployment.

Inflation continued to decline, with consumer prices advancing at a minuscule annual rate of 0.6 percent during the first three months of 1998, with the broader GDP price index up at a 0.9-

percent pace. Even excluding the effects of falling energy and volatile food prices, the "core" consumer price index rose just 2.1 percent over the past year, the slowest pace since 1965.

However, recent economic developments may appear considerably better than they really are. The next year or so is likely to see a much slower pace of growth in the U.S. economy. The mildest winter in over a century of record-keeping in the Northeast and Midwest boosted a variety of first quarter household and business purchases. Construction normally scheduled for April or May got underway in January. Mild weather also affected inflation by helping to depress energy prices. About one-third of the first quarter's 4.2-percent real GDP growth can be attributed to the weather. To the extent that this activity occurred earlier, there will be less economic activity in the second and third quarters of the year (See Figure 1).

Figure 1



The effects of the Asian economic situation are just beginning to be felt in the U.S. In January and February, the trade deficit on goods and services was the largest in more than ten years. On merchandise (goods) alone, February's \$17.1 billion gap was an all-time record for any single month. According to the U.S. Commerce Department's advance estimate of GDP, the gap between imports and exports widened by \$41 billion in real terms during the first quarter—more than at any time in the last 52 years. While March figures are not yet available, reports from the nation's largest ports, Long Beach and Los Angeles, suggest a flood of imports from Asia, with ships returning to the Far East with little or no American-made cargo.

At the Port of Long Beach, for example, the volume of containerized shipping arriving from Asia during March shot up more than 55 percent from the year-earlier level, while the dollar value jumped 34 percent. The smaller increase in dollar terms reflects the impact of Asian currency devaluations on the value measured in the strong U.S. currency.

The financial situation in most of the developing Asian economies seems to have stabilized. A successful \$4 billion South Korean bond issue in April was a strong vote of confidence in that country's financial recovery. However, despite these encouraging signs from the developing nations, Japan—by far Asia's largest economy and California's leading export market—has now joined the list of nations facing a full-fledged recession in 1998.

On balance, these developments point to a somewhat larger U.S. trade gap— which subtracts from economic growth— than was forecast in the Governor's Budget last January. The flood of imports is also adding to U.S. inventories. The need to pare these excess stocks will further slow domestic production in the second half of this year and in early 1999.

However, competition from Asia and other low-cost regions of the world is helping to keep domestic prices in check. Weakness in Asia and the generally sluggish tone of continental Europe's economies are also placing downward pressure on the cost of raw materials. Thus, despite low unemployment, U.S. inflation is likely to remain quite low for the next year or more.

Low inflation— currently less than 1 percent— a first-quarter moderation in employment cost increases, and the prospect of slower economic growth ahead seem to argue against a rise in interest rates this year. The strong dollar, concerns over the effects of higher rates on Asia's recovery, and the first U.S. budget surplus in 30 years should further tip the balance against an interest rate boost in 1998. Moreover, slower economic growth in 1999 could prompt a lowering of borrowing costs next year.

Compared to the January Budget:

- Real GDP growth of 2.9 percent this year is 0.2 percentage point higher than in January, reflecting stronger growth late last year and in 1998's first quarter. However, the Asia-related slowdown should be evident later this year and in 1999, when growth is forecast at 1.7 percent, 0.3 percentage point less than in January.
- Inflation is lower. This year's 1.8-percent rise in consumer prices is 0.6 percentage point less than forecast in January. Next year, consumer prices are expected to edge up 2.5 percent— 0.8 percentage point less than in the Governor's Budget.
- Interest rates show little movement this year, and are forecast to decline in 1999. The January Budget had expected a slow rise in rates both this year and next.

More details of the 1998-99 U.S. forecast are shown in the accompanying Figure 2.

Figure 2

<u>Selected U.S. Economic Indicators, 1997-99</u>			
	<u>1997</u>	<u>1998</u>	<u>1999</u>
Real gross domestic product, (1992 dollar) (Percent change)	3.8	2.9	1.7
Personal consumption expenditures	3.3	4.0	2.6
Gross private domestic investment	12.0	7.0	3.1
Government purchases of goods and services	0.9	0.8	1.4
GDP deflator (1992=100) (Percent change)	2.0	1.9	2.1
GDP, (Current dollar) (Percent change)	5.8	4.8	3.8
Federal funds rate (Percent)	5.5	5.5	5.4
Personal income (Percent change)	5.8	5.5	4.2
Corporate profits before taxes (Percent change)	7.9	1.3	-0.2
Nonfarm wage and salary employment (Millions)	122.3	125.5	126.7
(Percent change)	2.3	2.6	1.0
Unemployment rate (Percent)	5.0	4.7	5.1
Housing starts (Millions)	1.48	1.53	1.49
(Percent change)	0.6	3.6	-2.7
New car sales (Millions)	8.2	7.8	7.7
(Percent change)	-3.3	-5.1	-1.8
Consumer price index (1982-84=100)	160.6	163.5	167.6
(Percent change)	2.3	1.8	2.5

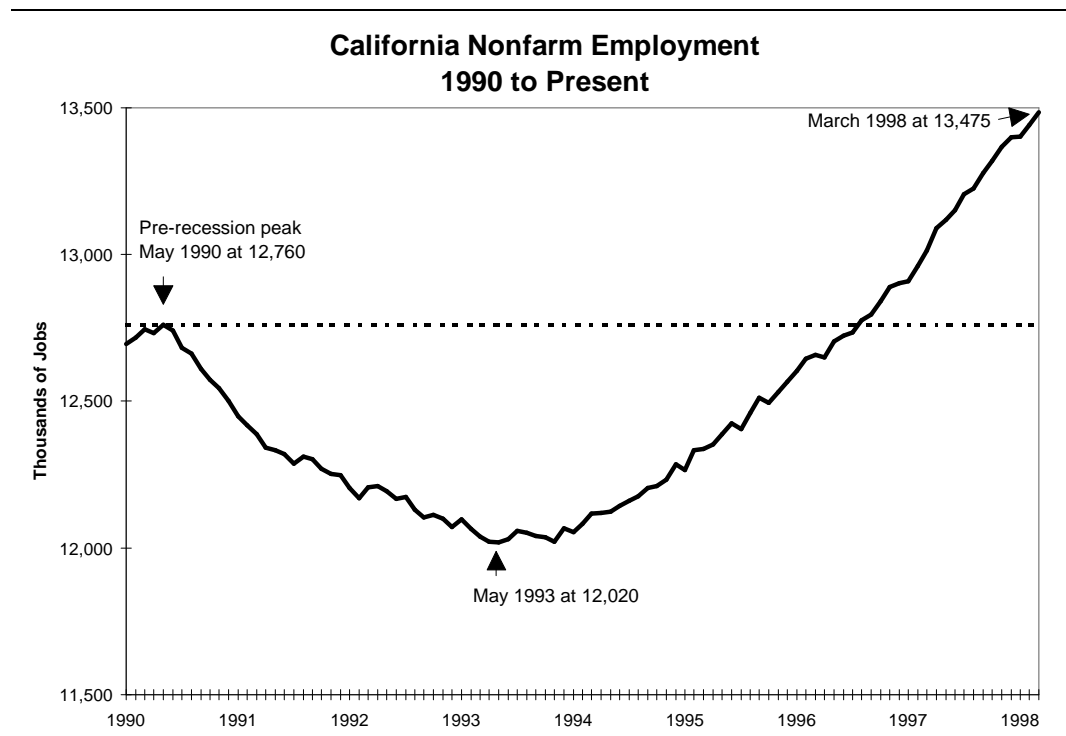
Forecast based on data available as of April 17, 1998. Percent changes calculated from unrounded data.

CALIFORNIA

In 1997, California's economy turned in its best performance since the early 1980s. Nonfarm employment growth averaged 3.3 percent for the full year, but was clocked at 3.8 percent in December— adding a half-million new jobs from the year-end 1996 level. The State's jobless rate fell a full percentage point last year. Personal income increased 7.3 percent in 1997, a 13-year high. With inflation of scarcely 2 percent, real purchasing power jumped more than 5 percent last year.

The employment data reflect annual benchmark revisions, published at the end of February, which added 130,000 jobs to annual growth between December 1996 and 1997 (Figure 3). So while many of the forces expected to slow U.S. growth later this year— particularly those originating in Asia— will also affect California, the State's economic growth will be moderating from a much more rapid rate of expansion than was evident when the Governor's Budget forecast was prepared last fall.

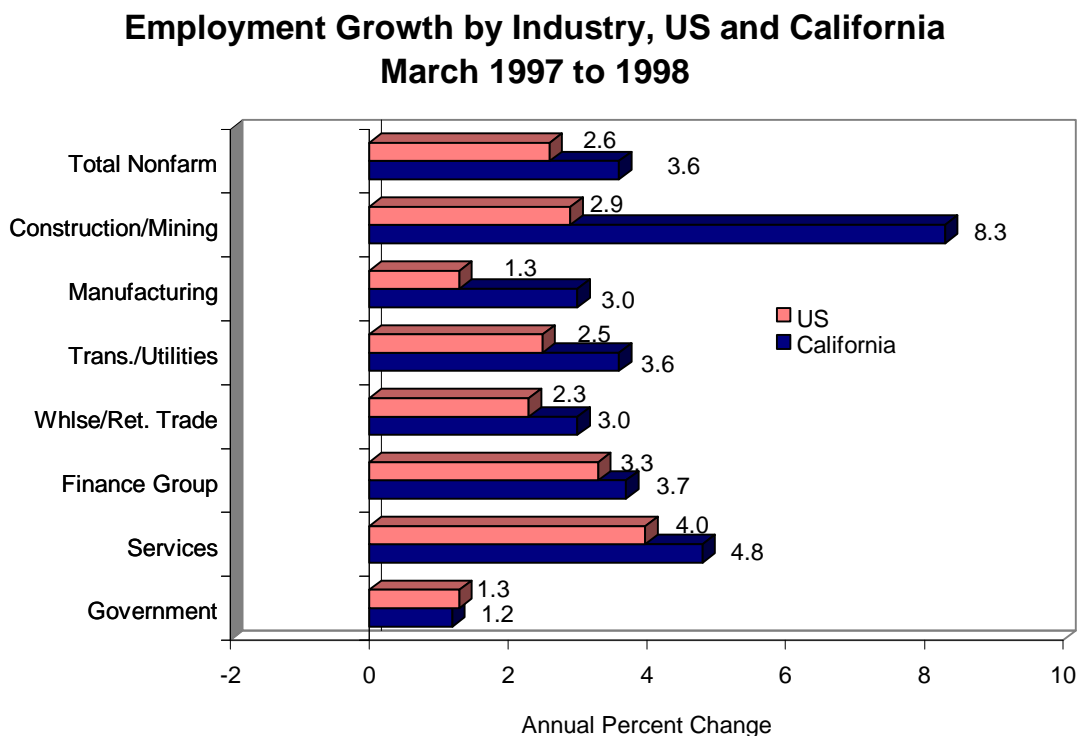
Figure 3



Despite near-record rainfall, employment growth remained robust in the first quarter of 1998, maintaining year-to-year growth in the 500,000-job range. The State's employment growth is

outpacing the nation by a considerable margin, with each of the major private sector industry groups growing faster in California than throughout the nation (Figure 4).

Figure 4



Signs of more moderate growth are already beginning to emerge from some quarters. Staff cuts resulting from mergers in finance and aerospace will stall recoveries in these industries later this year and in 1999. However, the settlement of a potential labor dispute in the motion picture industry— which had placed several major productions on hold— points to a resumption of growth in that key segment of the State's economy this year.

There is early evidence of Asia effects in earnings reports from leading California high-technology firms— some of which have been accompanied by announcements of layoffs or a scaling back of new hiring plans. Still, with a backlog of unmet demand for skilled workers in the State's high-technology industries, the Asia-induced slowdown may serve to bring labor markets into better balance in some areas of the State.

Although Asia accounts for a disproportionate share of California exports— more than half the state's overseas sales, or double the share for the other 49 states— it does not follow that the impact of Asia will be twice as severe in the State as

compared to the entire nation. Much of California's trade with Asia represents components that are assembled into finished goods for re-export to the U.S. Thus, for firms manufacturing or assembling in Asia, the region's financial problems will often lower costs. The same will be true for foreign competitors, suggesting that price competition will remain intense in the high-tech industries.

Another factor that will help cushion the impact of Asia is the remarkable recovery in NAFTA partner Mexico. California-made exports to the State's closest neighbor surged by 33 percent or \$3 billion in 1997. At \$12 billion in export sales, Mexico is now California's second leading market, nosing out Canada's \$11.5 billion in purchases. Nearly one-quarter of California-made exports are sold to NAFTA partners.

Other market forces, including computer programming and hardware demands associated with the year 2000 problem, as well as the need to retool retail and financial systems in much of Europe for the introduction of the new Euro currency, will also help to offset slower sales to Asia.

California can also expect to benefit from relatively low interest rates, which should provide an extra push to homebuilding activity once the State dries out from the El Niño rains. The prospect of even lower borrowing costs in 1999 should give housing yet another boost next year.

Compared to the January Budget:

- Nonfarm employment growth is revised up by 0.4 percentage point to 3.2 percent this year. In 1999, the increase is boosted by 0.6 percentage point to 2.9 percent. Thus, over the course of this year and next, California is projected to add more than 800,000 new jobs.

- Personal income growth is revised up 0.9 percentage point to 7.2 percent this year, maintaining 1997's exceptionally strong pace. Growth in 1999 is now forecast at 5.7 percent, or 0.3 percentage point less than in the Governor's Budget (Figure 5).

- Because heavy rains have delayed this year's construction season, the homebuilding forecast is maintained at the Budget level of 130,000 units in 1998. Next year's 153,000-unit forecast is 27,000 higher than was forecast in January.

Details of the California forecast are shown in the accompanying Figure 6.

Figure 5

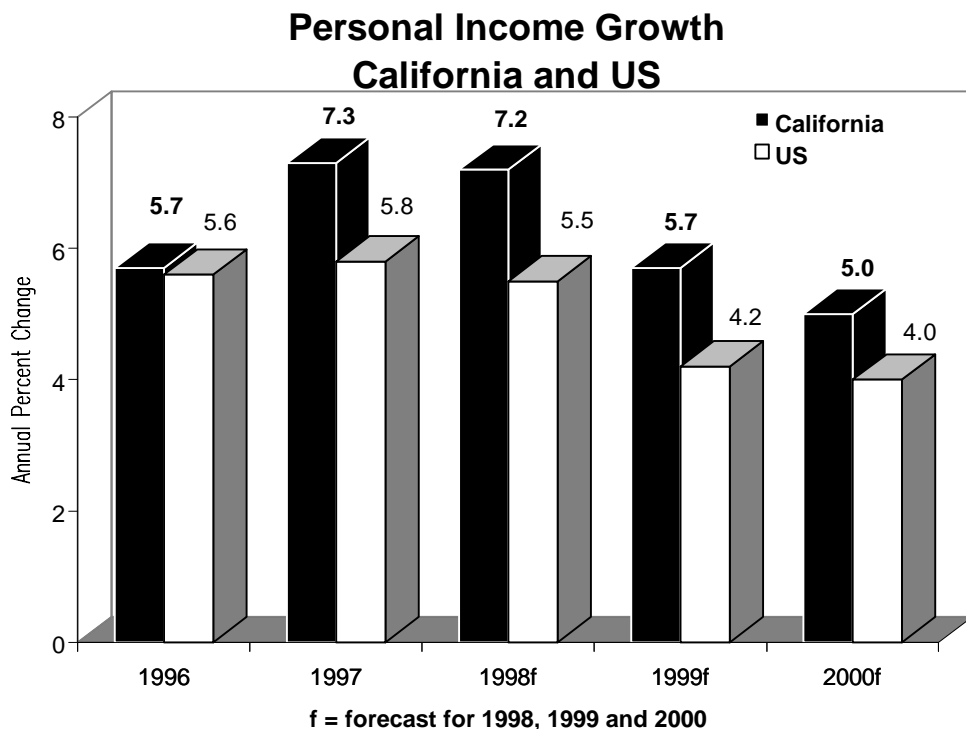


Figure 6

Selected California Economic Indicators

	1997	Percent Change	Forecast			
			1998	Percent Change	1999	Percent Change
Personal income (\$ bill.)	867.2	7.3%	929.4	7.2%	982.1	5.7%
Nonfarm W&S employment (thous.)	13,166	3.3%	13,584	3.2%	13,975	2.9%
Mining	30	1.3%	30	0.3%	30	0.1%
Construction	554	9.6%	600	8.3%	649	8.2%
Manufacturing	1,914	3.9%	1,965	2.7%	2,001	1.8%
High Technology	515	3.6%	526	2.2%	532	1.1%
Transportation/utilities	662	3.6%	686	3.6%	708	3.2%
Whlse & retail trade	3,054	2.7%	3,132	2.6%	3,205	2.3%
Finance group	755	2.8%	772	2.2%	770	-0.2%
Services	4,054	3.7%	4,228	4.3%	4,406	4.2%
Government	2,144	1.3%	2,172	1.3%	2,206	1.6%
Unemployment rate	6.3%	--	5.6%	--	5.8%	--
Housing permits (thous.)	111	17.9%	130	17.3%	153	17.4%
Consumer price index	160.5	2.2%	164.0	2.2%	169.6	3.4%

Forecast based on data available as of April 17, 1998. Percent changes calculated from unrounded data.

EMPLOYMENT
(Seasonally adjusted)

	1998				1997	Yr-Over-Yr % Change
	Apr	Mar	Feb	Jan	Apr	
Civilian employment (000)	15,252	15,238	15,189	15,146	14,892	2.4
Unemployment (000)	952	980	958	968	1,019	-6.6
Unemployment rate	5.9	6.0	5.9	6.0	6.4	--
Nonagricultural wage and salary employment a/ (000)	13,517.6	13,485.6	13,439.9	13,401.2	13,089.3	3.3
Mining	28.6	29.1	29.3	29.5	29.4	-2.7
Construction	591.9	591.9	582.3	583.4	543.7	8.9
Manufacturing	1,947.1	1,947.1	1,945.2	1,943.2	1,901.0	2.4
High technology b/ Transportation and public utilities	521.5	523.5	523	523.9	510.9	2.1
Trade	680.4	679.0	676.5	675.6	659.7	3.1
Finance, insurance and real estate	3,117.7	3,114.7	3,107.1	3,091.3	3,044.6	2.4
Services	776.9	772.7	769.9	765.8	750.7	3.5
Government	4,200.7	4,180.9	4,168.6	4,154.9	4,020.3	4.5
	2,174.3	2,170.2	2,161.0	2,157.5	2,139.9	1.6

HOURS AND EARNINGS IN MANUFACTURING

	1998				1997	Yr-Over-Yr % Change
	Apr	Mar	Feb	Jan	Apr	
Average weekly hours c/	40.8	41.8	41.6	41.8	41.6	-1.9
Average weekly earnings c/	\$549.98	\$563.88	\$557.44	\$562.63	\$545.79	0.8
Average hourly earnings c/	\$13.48	\$13.49	\$13.40	\$13.46	\$13.12	2.7

PRODUCTION

	1998		1997			Yr-Over-Yr % Change
	Feb	Jan	Dec	Nov	Feb	
Petroleum (000 barrels daily) c/	899	934	932	921	915	-1.7
Portland cement (000 short tons) c/	637	792	903	881	818	-22.1

TRADE
(Seasonally adjusted)

	1998			1997		Yr-Over-Yr % Change
	Mar	Feb	Jan	Dec	Mar	
New auto registrations (number)	121,148	112,985	112,808	110,529	114,458	5.8

a/ Seasonally adjusted by the California Employment Development Department.

b/ Based on the 1987 SIC codes. These values are not seasonally adjusted.

c/ Not seasonally adjusted.

CONSUMER PRICE INDEX
(1982-84=100)

	1998				1997	Yr-Over-Yr % Change
	Apr	Mar	Feb	Jan	Apr	
All Urban Consumers Series						
California Average	163.0	n.a.	162.1	n.a.	160.2	1.7
San Francisco CMSA	164.6	n.a.	163.2	n.a.	159.6	3.1
Los Angeles CMSA	161.8	161.4	161.1	161.0	159.9	1.2
Urban Wage Earners and Clerical Workers Series						
California Average	156.9	n.a.	156.1	n.a.	154.8	1.4
San Francisco CMSA	160.8	n.a.	159.6	n.a.	156.7	2.6
Los Angeles CMSA	155.6	155.1	155.0	155.1	154.3	0.8

CONSTRUCTION

	1998				1997	Yr-Over-Yr % Change
	Apr	Mar	Feb	Jan	Apr	
Private residential housing units authorized (000) a/	112.5	118.7	100.3	118.0	102.3	10.0
Single units	89.7	96.7	69.9	91.0	79.6	12.7
Multiple units	22.9	22.0	30.4	27.1	22.7	0.7
Residential building authorized valuation (millions) b/	\$1,712	\$1,758	\$1,378	\$1,575	\$1,516	12.9
Nonresidential building authorized valuation (millions) b/	\$1,114	\$1,103	\$945	\$1,337	\$960	16.0
Nonresidential building authorized valuation (millions) c/	\$1,204	\$1,185	\$832	\$1,006	\$1,037	16.0
Commercial	\$403	\$412	\$277	\$318	\$408	-1.3
Industrial	241	194	100	152	107	125.5
Other	105	134	61	112	126	-16.0
Alterations and additions	454	445	393	424	397	14.4

VACANCY RATES FOR MARCH 1998
(Percent)

	Office			
	Total	Downtown	Suburban	Industrial
Northern and Central California:				
Fresno	12.7	29.5	9.5	7.8
Oakland-East Bay	8.8	10.7	8.3	--
Sacramento	9.6	7.6	10.3	10.4
San Francisco	3.3	3.6	2.9	6.8
San Jose	3.9	3.6	4.0	--
Southern California:				
Bakersfield	10.8	11.7	10.2	--
Los Angeles	15.2	15.8	15.1	9.0
Orange County	9.3	--	9.3	--
San Diego	9.7	16.1	8.0	6.7
Ventura County	14.5	--	14.5	--
National Average	9.5	10.3	9.0	8.3

a/ Seasonally adjusted annual rate

b/ Seasonally adjusted

c/ Not seasonally adjusted n.a. Not available

Seasonal adjustment done by the California Department of Finance.

MEDIAN PRICE OF EXISTING SINGLE FAMILY HOMES

1997

Jan \$175,630
Feb 167,790
Mar 177,740
Apr 181,220
May 185,010
Jun 188,800

Jul 192,630
Aug 194,390
Sep 193,760
Oct 192,070
Nov 193,045
Dec 189,994

1998

Jan \$190,553
Feb 186,582
Mar 196,400
Apr 199,160

LEADING INDICATORS a/

		<u>Manufacturing</u>		<u>New Business</u>
		<u>Overtime</u>	<u>Average</u>	<u>Incorporations</u>
		<u>Hours</u>	<u>Weekly Hours</u>	
1997	Jan	4.8	41.6	4,644
	Feb	4.8	41.8	4,379
	Mar	5.1	42.1	3,607
	Apr	5.0	41.9	4,129
	May	5.0	41.9	4,408
	Jun	5.0	41.9	4,465
	Jul	4.9	41.9	5,061
	Aug	5.0	42.0	4,004
	Sep	4.9	41.8	4,725
	Oct	4.9	42.0	4,713
	Nov	5.0	42.2	4,181
	Dec	5.2	42.1	4,750
1998	Jan	5.2	42.2	4,649
	Feb	5.0	41.9	4,590
	Mar	4.9	41.8	4,667
	Apr	4.4	41.1	5,398
		<u>Unemployment</u>	<u>Housing Unit</u>	
		<u>Insurance</u>	<u>Authorizations</u>	
		<u>Initial Claims</u>	<u>(Thousands)</u>	
1997	Jan	64,780	95.5	
	Feb	57,558	107.9	
	Mar	58,485	94.9	
	Apr	59,487	102.3	
	May	60,730	109.0	
	Jun	62,489	109.1	
	Jul	62,447	114.1	
	Aug	62,131	119.8	
	Sep	62,913	119.4	
	Oct	61,649	130.6	
	Nov	60,006	118.8	
	Dec	59,436	111.0	
1998	Jan	55,988	118.0	
	Feb	61,776	100.3	
	Mar	56,475	118.7	
	Apr	59,438	112.5	

a/ Seasonally adjusted by the California Department of Finance.

COINCIDENT INDICATORS a/

		Nonagricultural Employment (Thousands)	Manufacturing Employment (Thousands)	Unemployment Rate (Percent)	Unemployment Avg. Weeks Claimed (Thousands)
1997	Jan	12,907	1,881	6.7	447
	Feb	12,960	1,886	6.6	407
	Mar	13,012	1,892	6.4	385
	Apr	13,089	1,901	6.4	398
	May	13,118	1,908	6.3	366
	Jun	13,150	1,914	6.3	381
	Jul	13,203	1,926	6.2	392
	Aug	13,225	1,926	6.2	373
	Sep	13,278	1,927	6.2	386
	Oct	13,319	1,935	6.2	378
	Nov	13,367	1,937	6.1	371
	Dec	13,398	1,942	6.0	395
1998	Jan	13,401	1,943	6.0	341
	Feb	13,440	1,945	5.9	359
	Mar	13,486	1,947	6.0	377
	Apr	13,518	1,947	5.9	367

		Personal Income (\$ millions)	Wages & Salaries from Mining, Construction and Manufacturing (\$ millions)	Taxable Sales (\$ millions)
1995	Qtr I	746,938	84,527	73,137
	Qtr II	764,271	86,526	75,106
	Qtr III	771,578	88,242	75,873
	Qtr IV	774,953	88,960	76,568
1996	Qtr I	796,375	92,485	79,562
	Qtr II	803,284	92,170	80,350
	Qtr III	804,844	90,032	80,237
	Qtr IV	827,398	95,647	80,805
1997	Qtr I	846,248	98,932	83,424
	Qtr II	856,002	100,404	85,171
	Qtr III	872,596	104,794	85,832
	Qtr IV	894,017	105,862	87,300
1998	Qtr I	n.a.	n.a.	88,647

OTHER INDICATORS a/

DOD Prime Contracts b/			Electricity Production	
	<u>\$ millions</u>	<u>% of U.S.</u>		<u>(Million KWH)</u>
1981-82	\$22,685	21.8	1996 Jan	8,918
1982-83	26,387	22.2	Feb	10,420
1983-84	28,520	23.0	Mar	9,923
1984-85	29,115	20.8	Apr	9,971
			May	10,302
1985-86	27,738	20.4	Jun	9,865
1986-87	24,515	18.4	Jul	10,051
1987-88	23,458	18.7	Aug	9,507
1988-89	23,125	19.3	Sep	9,079
1989-90	22,312	18.4	Oct	9,245
			Nov	8,673
			Dec	8,835
1990-91	24,265	19.5		
1991-92	23,843	21.2		
1992-93	22,952	20.1	1997 Jan	9,219
1993-94	22,573	20.5	Feb	9,158
1994-95	18,277	16.8	Mar	9,179
			Apr	9,961
1995-96	18,230	16.7	May	10,286
1996-97	18,477	17.3	Jun	8,891
			Jul	9,090
			Aug	9,243
			Sep	11,129
			Oct	9,871
			Nov	8,414
			Dec	8,695
			1998 Jan	9,694
			Feb	9,522

a/ Seasonally adjusted by the California Department of Finance with the exception of the nonagricultural and manufacturing employment and the unemployment rate which are seasonally adjusted by the California Employment Development Department.

DOD Prime Contract Awards is not seasonally adjusted.

b/ U.S. fiscal year: October through September

n.a. Not available

ECONOMIC INDICATOR CHARTS

Series classification as leading or coincident indicators generally follows that established by the National Bureau of Economic Research. The exceptions to this are manufacturing employment and taxable sales. These series are discussed in the technical note below.

TECHNICAL NOTE

Whenever appropriate, data used in the charts have been seasonally adjusted. The method of seasonal adjustment is the X-11 Arima program. Persons interested in a detailed description of this method are referred to Statistics Canada, The X-11 Arima Seasonal Adjustment Method (Catalog No. 12-564E, February 1980).

Under the X-11 Arima method, the addition of new data points changes historical seasonal factors. To avoid monthly data changes in the California Economic Indicators it is necessary to "freeze" the seasonally adjusted data through the past year and manually compute current year values from the projected seasonal factors. Thus historical revisions will be incorporated annually.

Manufacturing Employment

This series is an addition to the NBER indicator list. It is used here because it appears to show cyclical fluctuations clearly and extends the limited number of series presently available for the State.

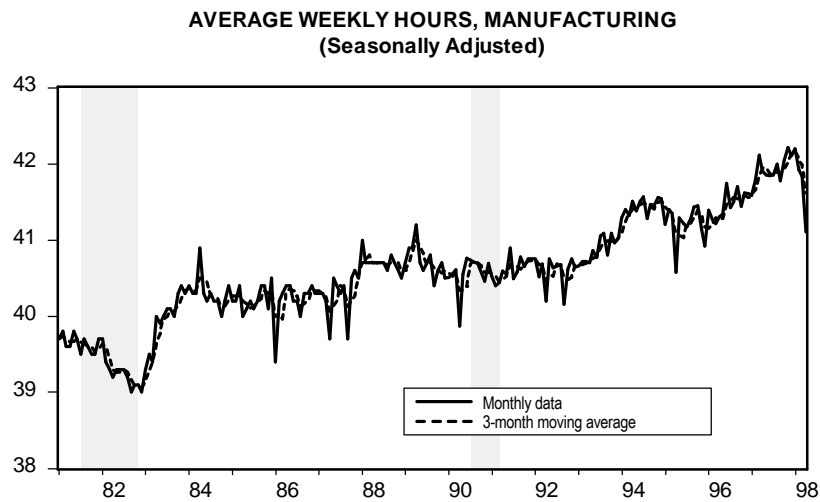
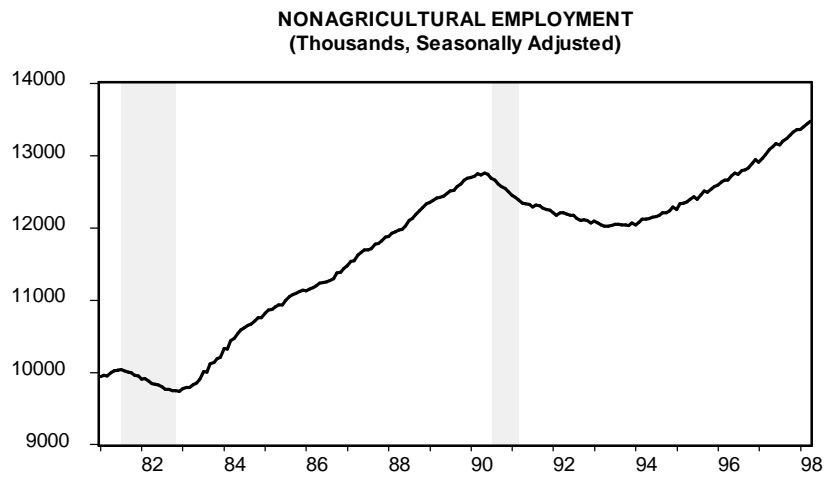
Taxable Sales

Taxable sales are used here as a proxy for retail trade. Data on the latter are not available for California prior to 1964. The taxable series includes sales by both retail and wholesale establishments, and is, therefore, a broad indicator of business activity. It has been classified as a coincident indicator on the basis of fluctuations in the series since 1950.

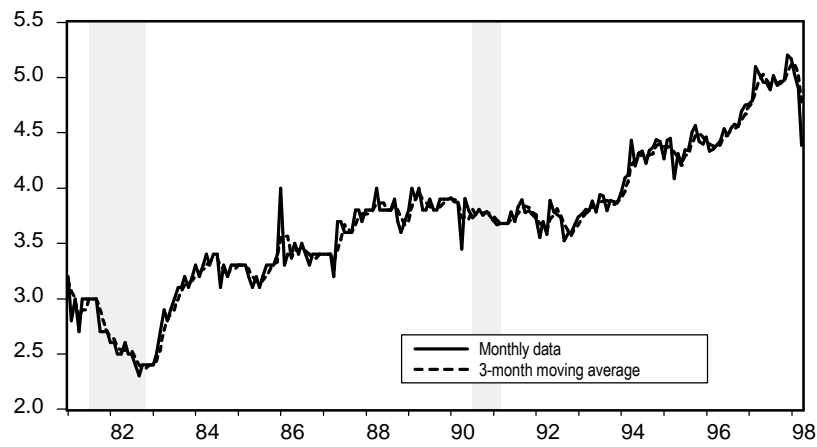
The other indicators shown are for general interest only. They are not directly related to the cyclical indicator series, but are of interest to persons looking at overall economic developments.

A NOTE ON PRIME CONTRACT AWARDS

Due to a change in the collection of data, the U.S. Department of Defense will not be publishing Prime Contract Awards by State for the first half of U.S. fiscal years 1989 and 1990. The publication will be resumed in 1991. Since the first-half data are necessary for deriving the quarterly series, the graph will be temporarily discontinued. In the Economic Data section, we will provide fiscal year totals and quarterly updates whenever available.



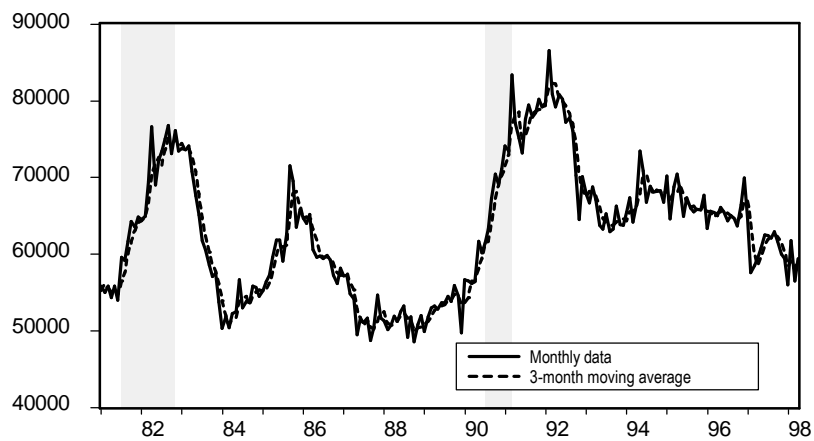
AVERAGE OVERTIME HOURS, MANUFACTURING
(Seasonally Adjusted)



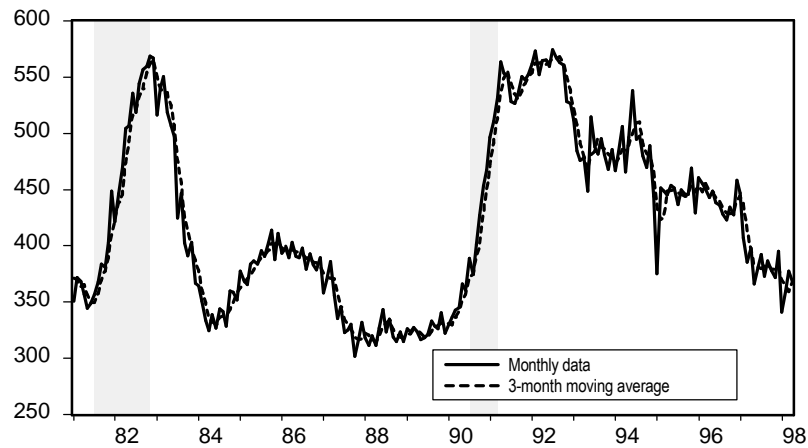
UNEMPLOYMENT RATE
(Percent)



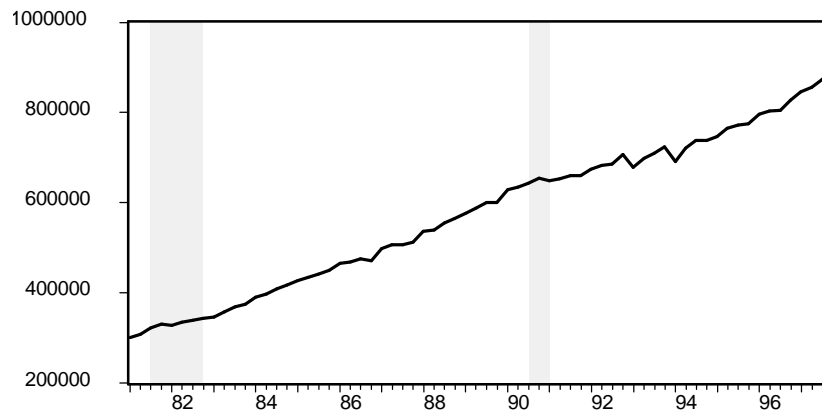
INITIAL CLAIMS FOR UNEMPLOYMENT INSURANCE
(Weekly Average, Seasonally Adjusted)



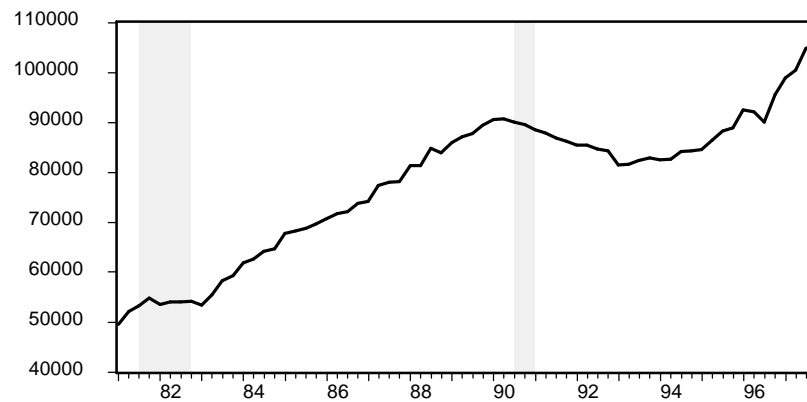
INSURED UNEMPLOYMENT, AVERAGE WEEKS CLAIMED
(Thousands, Seasonally Adjusted)

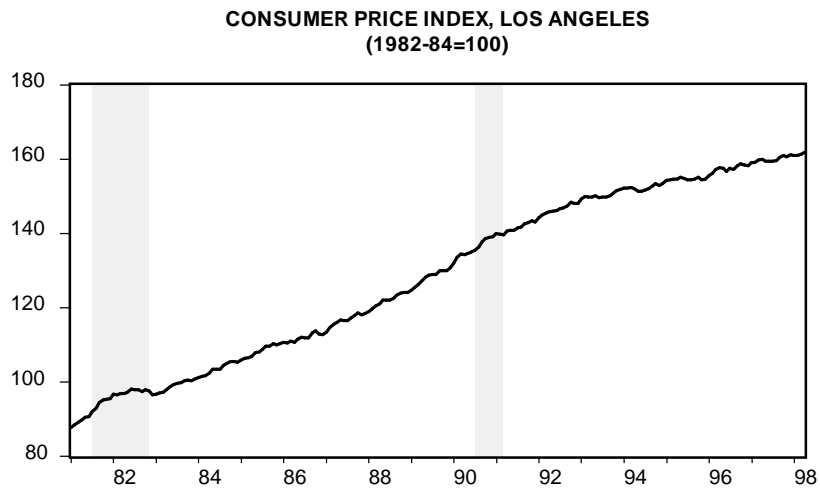
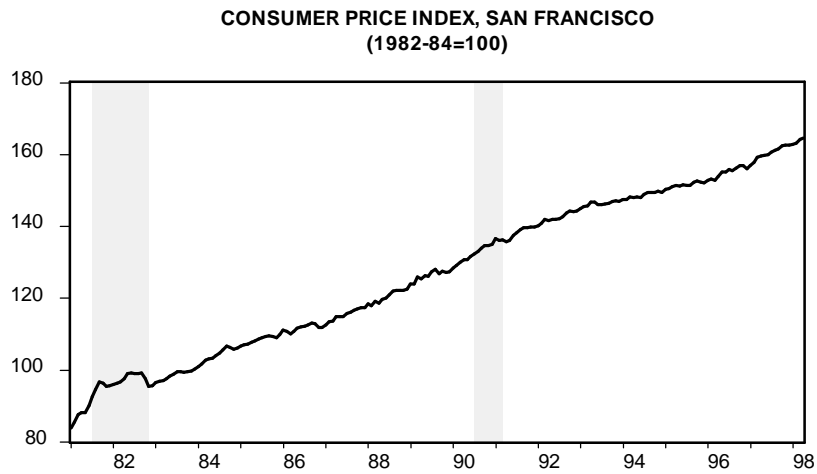
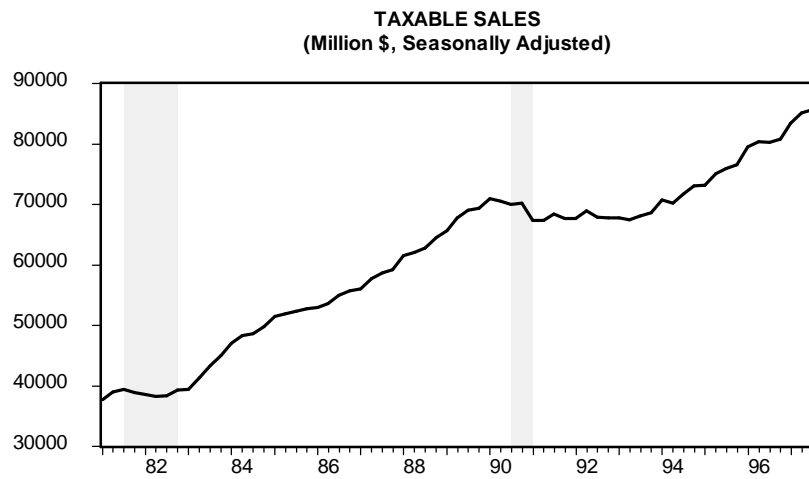


PERSONAL INCOME
(Million \$, Seasonally Adjusted)

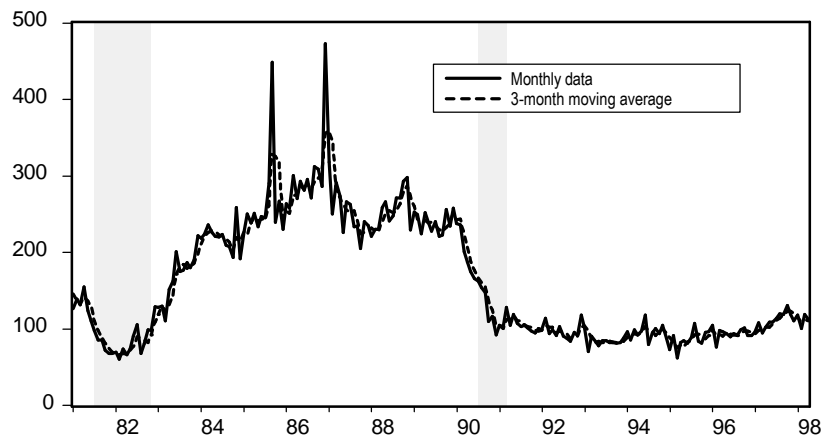


**WAGES AND SALARIES
MINING, CONSTRUCTION AND MANUFACTURING**
(Million \$, Seasonally Adjusted)

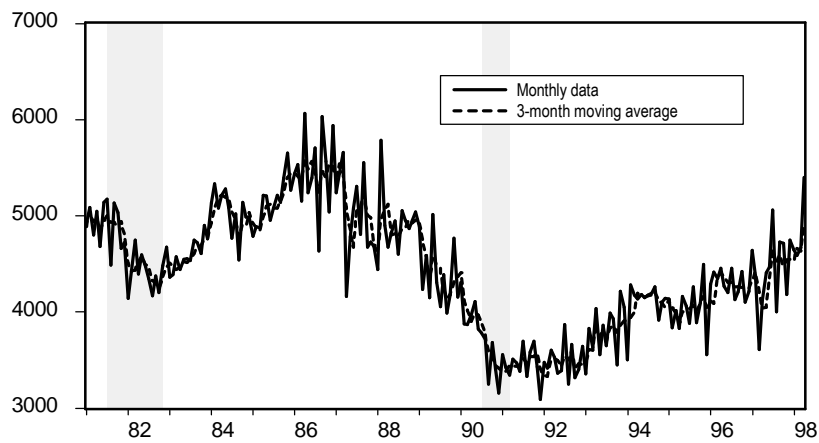




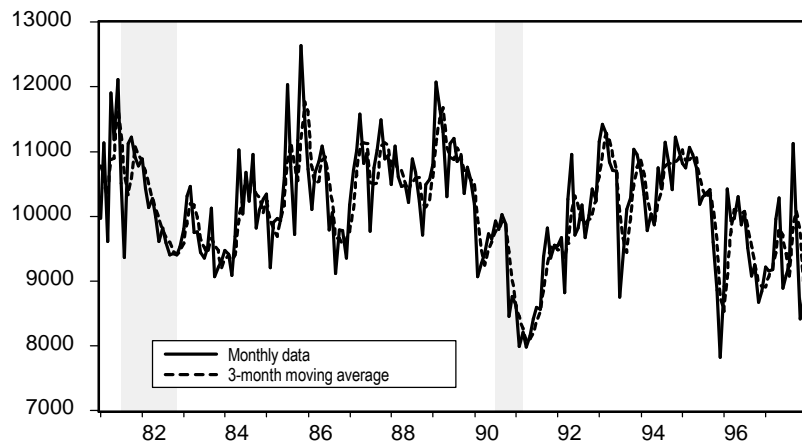
PRIVATE HOUSING UNITS AUTHORIZED
(Thousands, Seasonally Adjusted at Annual Rate)



NEW BUSINESS INCORPORATIONS
(Seasonally Adjusted)



ELECTRICITY PRODUCTION
(Thousand KWH, Seasonally Adjusted)



CHRONOLOGY

The following summary lists economic, political, and natural developments which have influenced California economic indicators, and may account for unusual movements in the series. Appraisal of the charts will be facilitated in many cases by taking into consideration those factors which may be contributing to temporary directional changes in business activity which are not indicative of significant changes in the economic situation of the State. In addition, major national and international events of general interest have also been included.

1990		1990--Continued	
January 8	Prime rate cut from 10-1/2 percent to 10 percent.	December 18	Discount rate cut from 7 percent to 6-1/2 percent.
January 15	Campeau Corp. files for Chapter 11 bankruptcy-law protection.	1991	
February 13	Drexel Burnham Lambert Inc. files for Chapter 11 bankruptcy-law protection.	January 1	California gasoline and diesel fuel tax increase of one cent per gallon.
March 2	Amalgamated Transit Union strikes Greyhound Lines, Inc.	January 2	Prime rate cut from 10 percent to 9-1/2 percent.
April 1	Federal minimum wage raised from \$3.35 to \$3.80.	January 12	Congress approves use of force in Iraq.
July 27	Revised GNP estimates cut 1989 growth by 1/2 percent. Year-over-year growth for the second quarter only 1.2 percent.	January 16	U.S. begins military action against Iraq.
August 1	California gasoline and diesel fuel tax increase of 5 cents per gallon.	February 1	Discount rate cut from 6-1/2 percent to 6 percent.
August 2	Iraq invades Kuwait.		Prime rate reduced from 9-1/2 percent to 9 percent.
September 9	California population reaches 30 million according to California Department of Finance.		Carter Hawley Hale files for bankruptcy protection.
November 30	Index of leading indicators declines for fourth month in a row.	February 26	Iraqi troops withdraw from Kuwait.
December 1	Federal gasoline tax increase of 5 cents per gallon.	February 27	President Bush orders a cease fire in the war against Iraq.
December 4	Federal Reserve cuts bank reserve requirements by \$11 billion.	April 1	Federal minimum wage raised from \$3.80 to \$4.25.
		April 23	Lockheed-Georgia awarded F-22 Air Force contract.
		April 30	Discount rate cut from 6 percent to 5-1/2 percent.

CHRONOLOGY--Continued

	1991--Continued
May 1	Prime rate reduced from 9 percent to 8-1/2 percent.
June 28	Sierra Madre earthquake in Los Angeles County.
July 15	Chemical Banking and Manufacturers Hanover agree to merge.
August 12	BankAmerica agrees to acquire Security Pacific, surpassing the Chemical/Manufacturers Hanover merger as the largest in the banking industry.
September 13	Discount rate cut from 5-1/2 percent to 5 percent, the lowest level since February 1973. Most major banks reduce prime rate from 8-1/2 percent to 8 percent.
October 20	Oakland Hills fire.
November 6	Discount rate cut from 5 percent to 4-1/2 percent. Prime rate cut from 8 percent to 7-1/2 percent.
December 18	GM announces plans to close 21 plants and cut 74,000 jobs by the end of 1995.
December 20	Federal Reserve cuts the discount rate from 4-1/2 percent to 3-1/2 percent. Prime rate reduced from 7-1/2 percent to 6-1/2 percent by many large banks.

1992

January 1	California gasoline and diesel fuel tax increase of one cent per gallon.
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1992--Continued

January 27	R.H. Macy files for Chapter 11 bankruptcy protection.
January 31	TWA files for bankruptcy protection.
February 10	Los Angeles floods
April 22	Palm Springs earthquake
April 25- April 26	Ferndale earthquakes
April 29- May 2	Los Angeles riots
June 28	Yucca Valley/Big Bear earthquakes
July 2	Federal Reserve cuts the discount rate cut from 3-1/2 percent to 3 percent, the lowest level since 1963. Prime rate cut from 6-1/2 percent to 6 percent.
August 24- August 26	Hurricane Andrew hits Florida and Louisiana.
August 27	General Motors closes Van Nuys plant, which employed 2,600 workers. The plant was Southern California's last remaining auto factory.
September 2	After a record 64 days without a state budget, Governor Wilson signs the 1992-93 state budget bill.
September 11	Hurricane Iniki hits the Hawaiian island of Kauai.

CHRONOLOGY--Continued

1993		1994	
January 1	California gasoline and diesel fuel tax increase of one cent per gallon.	January 17	A destructive earthquake registering 6.8 on the Richter scale, centered in Northridge, struck Southern California at 4:31 a.m.
February 17	President Clinton announces economic plan, which cuts defense spending by \$188 billion from 1994 - 1998.	February 4	Federal funds rate raised from 3.0 percent to 3.25 percent, the first increase in five years.
February 26	Bomb blast at the New York's World Trade Center	March 22	Federal funds rate raised from 3.25 percent to 3.50 percent.
March 11	Seven California bases are included in the Department of Defense announcement to close 31 major bases.	March 21-April 4	Stock market selloff reduces Dow Jones Industrials by 9.7 percent from January peak. Treasury 30-year bond yields 7.42 percent, up from 5.79 percent in October. Fixed rate mortgages exceed 8 1/2 percent, compared to 6.8 percent in October, 1993.
Summer	Great Flood of '93, from Minnesota to Missouri, caused an estimated \$12 billion in damage and covered over 10 million acres. Clinton declared more than 200 counties federal disaster areas, including all 99 counties in Iowa.	April 18	Federal funds rate raised from 3.50 percent to 3.75 percent.
August 11	President Clinton signed into law his economic program that calls for spending curbs and higher taxes to reduce projected federal budget deficit by \$496 billion over a five-year period.	May 17	Federal funds rate raised from 3.75 percent to 4.25 percent.
		August 16	Federal funds rate raised from 4.25 percent to 4.75 percent.
		November 15	Federal funds rate raised from 4.75 percent to 5.5 percent.
Fall	Thirteen wild fires raged Southern California, some attributed to arson. Five counties were declared disaster areas.	December 2	Congress approved the General Agreement on Tariffs and Trade (GATT). The GATT accord cuts tariffs globally by roughly 40%, extends intellectual-property rights and tightens rules on investment and trade in services.
November 19	The North American Free Trade Agreement (NAFTA) is passed. Businesses anticipate expanded opportunities south of the border and increased jobs in the U.S.		
December 10	Japan and the U.S. agreed on a plan to open Japan's markets to rice import.		

CHRONOLOGY--Continued

1994-Continued

December 7 A leveraged investment strategy led to huge losses for an Orange County, California, investment fund. The County filed for bankruptcy protection, the largest such municipal filing ever.

1995

January U.S. trade deficit soared by 68 percent to \$12.2 billion.

January 31 The Clinton Administration announced a program of loans and currency swaps to prop up the Mexican peso. The plan will utilize existing authority and will involve several international agencies. The peso has been devalued by more than 40 percent against the U.S. dollar since early December.

January-March California was battered by its worst series of storms since 1986. Severe floods forced the evacuation of thousands of residents and caused an estimated \$2 billion of damage making it the costliest winter storm in the history of the State.

February 12 Federal funds rate raised from 5.5 percent to 6 percent.

February 24 Dow Jones Industrial average topped the 4000 mark.

March 10 McDonnell Douglas won a \$910 million order for at least 30 Apache attack helicopters from the Royal Netherlands Air Force.

1995--Continued

March 13 China and the U.S. reached agreements that should further open Chinese markets to U.S. agricultural production. China also agreed to lift suspension of a 1992 market-access accord and open discussions on allowing U.S. telecommunications and insurance services into the country.

March 15 Boeing won a \$1.17 billion order for its 737-600 airliners from Scandinavian Airlines.

March-April Dollar hits post WW II lows against the yen and mark.

April 19 Bomb blast at an Oklahoma City federal building.

April 30 President Clinton announced a cutoff of all trade by U.S. companies with Iran.

May 22 NASA intends to cut 28,860 jobs and consolidate space-shuttle activities under a single contractor within the next five years.

May 24 Boeing plans to cut 5,000 more jobs this year than previously projected, bringing the total to 12,000 by year-end.

June 5 Boeing won at least two-thirds of a \$6 billion commercial-jetliner order from Saudi Arabian carrier Saudia, with the remainder going to McDonnell Douglas Corporation.

July 6 Federal funds rate reduced from 6 percent to 5.75 percent.

CHRONOLOGY--Continued

	1995--Continued
October	Florida's panhandle was hit hard by Hurricane Opal.
	Boeing Co. union machinists strike.
November 14- November 19	Budget impasse caused partial federal government shutdown and furlough of non-essential federal employees.
November 15	Boeing won a \$12.7 billion order from Singapore Airlines.
November 20	Dow Jones Industrial average topped the 5000 mark.
December 4	President Clinton authorized a vanguard of U.S. troops to move into Bosnia. The advance troops will set up headquarters in preparation for thousands more U.S. soldiers to follow.
	Strikers at Caterpillar rejected a proposed six-year contract, but the United Auto Workers union called an end to the 17-month walkout anyway.
December 19	Federal funds rate reduced from 5.75 percent to 5.50 percent.

1996

December 18- January 7	The federal government shut down partially again as budget talks stalled.
January 3	AT&T will eliminate at least 40,000 jobs over the next three years as part of its plan to split into 3 companies.
January 8-10	Blizzard paralyzed the East Coast.

1996—Continued

January 25	Wells Fargo & Co. will merge with First Interstate Bancorp.
January 31	Federal funds rate reduced from 5.50 percent to 5.25 percent.
February 8	President Clinton signed a landmark telecommunications bill into law.
February 9	Boeing Co. intends to fill 7,000 new jobs by early 1997 in its rebounding commercial-jet division.
March-June	Gasoline retail prices in California increased by 28 percent--sharply higher than the sizable nationwide increase of about 12 percent.
March 6- March 22	United Auto Workers strike at General Motors Corp.'s brake-parts plants in Dayton Ohio.
April 1	Pacific Telesis, parent of Pacific Telephone, agreed to be acquired by San Antonio based SBC (formerly Southwestern Bell).
April 23	Bell Atlantic and Nynex agreed to merge.
May 14	The California Public Employees Retirement System reached the \$100 billion mark.
June 5	Packard Bell and NEC will merge their personal computer operations creating one of the largest PC makers in the world
July 3	Lockheed Martin won the \$1 billion federal contract to build a prototype for a next-generation space shuttle.

CHRONOLOGY--Continued

	1996—Continued
July 12	Hurricane Bertha hits the North Carolina coast.
July 29	First Nationwide Bank will acquire Cal Fed Bancorp Inc. creating the nation's fourth largest savings and loan association.
July 30	Standard & Poor's raised California's credit rating to an A+ from an A.
August 1	Rockwell International Corp. agreed to sell most of its aerospace and defense businesses to Boeing Co. Aerojet landed a \$30 million contract that gives it a role in developing the nation's next-generation space shuttle.
August 5	PacificCare Health Systems Inc. will buy competitor FHP International Corp. making it the second largest managed care organization in California.
August 10	A massive disruption in a sprawling power system triggered a widespread electricity outage affecting millions of people in parts of at least nine Western states.
September 5	Hurricane Fran hits Carolina coast.
October 1	Federal minimum wage raised from \$4.25 to \$4.75.
October 14	Dow Jones Industrial average topped the 6000 mark.

1996—Continued

December 13	Countries representing most of the world's high-technology trade agreed to abolish tariffs on computers, software and related goods.
December 16	Boeing Co. agreed to acquire McDonnell Douglas Corp.
December 23	Apple Computer Inc. will buy Next Software for \$400 million.

1997

Winter	Rivers in the West overflowed as rain and melting snow brought flooding in the Northwestern states, California and Nevada. The flooding has cost California's agricultural industry \$155 million so far, according to state officials.
January 13	Faced with unprecedented demand for new phone lines for Internet surfers and home offices, Pacific Bell will hire more than 2,500 employees in California.
January 14	Kaiser is consolidating its Northern and Southern California operations into a single division in a move to streamline operations and cut costs.
January 15	Mexico announced that it will repay U.S. loan three years ahead of schedule.
January 16	General Motor's Hughes Electronics will be acquired by Raytheon Corp.

CHRONOLOGY--Continued

	1997—Continued
January 20	Banc One Corporation agreed to buy First USA Inc. making it the nation's third largest credit card company.
January 29	U.S. Treasury issues the first \$7 billion in 10-year inflation-indexed notes.
February 5	Morgan Stanley and Dean Witter, Discover have agreed to merge.
February 13	Dow Jones Industrial average topped the 7000 mark.
February 19	U.S. trade deficit hits 8-year high.
February 26	3Com Corporation will buy U.S. Robotics.
March 1	California's minimum wage raised from \$4.75 to \$5.00.
March 7	Federal 10 percent tax on airline tickets was reimposed.
March 20	U.S. Bancorp agreed to be acquired by First Bank System.
March 25	Federal funds rate raised from 5.25 percent to 5.50 percent.
April	The nation's unemployment rate falls to a 24-year low.
April 1	SBC's plan to acquire Pacific Telesis was approved by California regulators.

1997—Continued

April 30	First quarter GDP grew at a robust 5.6 percent fueled by a big inventory buildup, warm weather and the biggest rise in consumer spending in ten years.
	Boeing won an order from Russia's Aeroflot, its first big push into one of the world's untapped markets.
May 28	Shortages have pushed coffee prices to a 20-year high.
July 1	China regained sovereignty over Hong Kong.
July 4	Lockheed Martin agreed to buy Northrop Grumman.
July 7	British Telecom's planned acquisition of MCI was approved by the U.S. Justice Department.
July 16	Dow Jones Industrial average topped the 8000 mark.
August 4	The European Commission formally cleared the merger of Boeing and McDonnell Douglas.
August 4-18	Teamsters union strike against United Parcel Service.
September 1	California's minimum wage raised from \$5.00 to \$5.15.
September 5	Major airlines raised ticket prices by five percent nearly across-the-board.

CHRONOLOGY--Continued

1998

	1997—Continued	January 5	Bond prices surged sending the 30-year Treasury to a record low yield of 5.73 percent, while comparable government-bond yields reached their lowest levels since the 1960s.
September 18	Coopers & Lybrand agreed to merge with Price Waterhouse.		
September 24	Travelers Group agreed to buy Salomon Brothers.		
		January 26	Compaq agreed to acquire Digital Equipment Corporation.
October 17	Ernst & Young agreed to merge with KPMG Peat Marwick.	February 2	Standard and Poor's stock index passed the 1000 milestone for the first time.
October 27	The Dow Jones Industrial average posted its worst one-day point loss ever. The relentless selling drove the industrial average down 554.26 points, or 7.18 percent.	February 27	Fourth quarter 1997 GDP growth rate revised to 3.9 percent, down from an initial estimate of 4.3 percent.
November 21	Yamaichi Securities, Japan's no. 4 securities firm will shut down, it's largest corporate failure since WWII.	March 1	California's minimum wage raised from \$5.15 to \$5.75.
		Winter	El Nino-fueled storms caused widespread flooding and landslides in California. Thirty-five counties declared federal disaster areas. The State's agriculture industry estimates a flood-related loss of \$57.4 million so far.
December 3	South Korea agreed to a broad dismantling of its interlocked financial and industrial system as the price for a record \$55+ billion IMF bailout.		
November - December	Asia's crashing currencies are rapidly destroying the financial health of the regions. The Indonesian rupiah and Korean won have lost more than half their value against the U. S. dollar this year.	March 17	Washington Mutual and H.F. Ahmanson & Co. agreed to merge.
		March 18	The NASD and AMEX boards agreed to join the two securities market.
December 19	California's jobless figure fell sharply to 5.8 percent in November, the lowest in over seven years.	March 19	The U.S. trade deficit for January widened to its worst level in six years.

CHRONOLOGY--Continued

1998—Continued		1998—Continued	
		June 5- Present	United Auto Workers strike at General Motors.
March 20	Boeing plans to reduce approximately 6,200 jobs in California by the year 2000.	June 8	Wells Fargo & Co. and Norwest agreed to merge.
March 24	Xerox Corp. plans to cut 10,000 jobs worldwide or 11 percent of its workforce.	June 9	The Philadelphia Stock Exchange agreed to join AMEX and NASD.
March 30	OPEC agreed to cut crude-oil production by 1.25 million barrels a day.	June 12	California's unemployment rate fell in May to its lowest level in nearly 8 years.
April 6	Citicorp and Travelers Group agreed to merge.	June 18	Texas Instruments plans to eliminate 3,500 jobs worldwide, about 8 percent of its payroll.
	Dow Jones Industrial average topped the 9000 mark.	June 24	AT&T announced its plan to acquire cable giant TCI.
April 8	Tornadoes swept the South causing death and significant property damage.		OPEC agreed to cut crude-oil production by 1.4 million barrels per day.
April 13	NationsBank formally announced its merger with BankAmerica while BancOne confirmed its planned combination with First Chicago.	June 25	Rockwell International Corporation will cut 9 percent of its workforce, or 3,800 jobs.
April 14	Intel announced that it will eliminate up to 3,000 jobs over the next six months.	June 26	El Niño damage to California's agricultural industry soars to \$422 million.
April 22	National Semiconductor plans to cut its worldwide workforce by 10 percent, or about 1,400 people.		Lockheed announced its plan to lay off 2,500 workers at Sunnyvale, California.
May 6	Daimler Benz and Chrysler Corporation agreed to merge.	June	Japan officially declares a recession.
	Compaq plans to eliminate 15,000 jobs following its purchase of Digital Equipment	June 29	Chinese and U.S. companies signed \$1.1 billion in new business deals, including China's agreement of intent to purchase 27 Boeing Co. jetliners.
May 11	SBC formally announced plans to acquire Ameritech		
June 4	Motorola plans to layoff 10 percent of its workforce, or about 15,000 workers.		

REFERENCE DATES OF UNITED STATES BUSINESS CYCLES, 1854-1991

Initial Trough		Peak		Terminal Trough		Expansion (months)	Contraction (months)	Total (months)
Dec.	1854	June	1857	Dec.	1858	30	18	48
Dec.	1858	Oct.	1860	June	1861	22	8	30
June	1861	April	1865	Dec.	1867	46	32	78
Dec.	1867	June	1869	Dec.	1870	18	18	36
Dec.	1870	Oct.	1873	March	1879	34	65	99
March	1879	March	1882	May	1885	36	38	74
May	1885	March	1887	April	1888	22	13	35
April	1888	July	1890	May	1891	27	10	37
May	1891	Jan.	1893	June	1894	20	17	37
June	1894	Dec.	1895	June	1897	18	18	36
June	1897	June	1899	Dec.	1900	24	18	42
Dec.	1900	Sept.	1902	Aug.	1904	21	23	44
Aug.	1904	May	1907	June	1908	33	13	46
June	1908	Jan.	1910	Jan.	1912	19	24	43
Jan.	1912	Jan.	1913	Dec.	1914	12	23	35
Dec.	1914	Aug.	1918	March	1919	44	7	51
March	1919	Jan.	1920	July	1921	10	18	28
July	1921	May	1923	July	1924	22	14	36
July	1924	Oct.	1926	Nov.	1927	27	13	40
Nov.	1927	Aug.	1929	March	1933	21	43	64
March	1933	May	1937	June	1938	50	13	63
June	1938	Feb.	1945	Oct.	1945	80	8	88
Oct.	1945	Nov.	1948	Oct.	1949	37	11	48
Oct.	1949	July	1953	May	1954	45	10	55
May	1954	Aug.	1957	April	1958	39	8	47
April	1958	April	1960	Feb.	1961	24	10	34
Feb.	1961	Dec.	1969	Nov.	1970	106	11	117
Nov.	1970	Nov.	1973	March	1975	36	16	52
March	1975	Jan.	1980	July	1980	58	6	64
July	1980	July	1981	Nov.	1982	12	16	28
Nov.	1982	July	1990	March	1991	92	8	100